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# Class Counts: Comparative Studies in Class Analysis

BOOK *in* BRITISH JOURNAL OF SOCIOLOGY · DECEMBER 1997

Impact Factor: 1.62 · DOI: 10.2307/591617

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# Class Counts

Student Edition

*Erik Olin Wright*

## 1. Class analysis

The empirical research in this book covers a wide range of substantive topics: from friendship patterns and class mobility to housework and class consciousness. What unites the topics is not a preoccupation with a common object of explanation, but rather a common explanatory factor: class. This is what class analysis attempts to do – explore the relationship between class and all sorts of social phenomena. This does not mean, of course, that class will be of explanatory importance for everything. Indeed, as we will discover, in some of the analyses of this book class turns out not to be a particularly powerful factor. Class analysis is based on the conviction that class is a pervasive social cause and thus it is worth exploring its ramifications for many social phenomena, but not that it is universally the most important. This implies deepening our understanding of the limits of what class can explain as well as of the processes through which class helps to determine what it does explain.

The most elaborated and systematic theoretical framework for class analysis is found in the Marxist tradition. Whatever one might think of its scientific adequacy, classical Marxism is an ambitious and elegant theoretical project in which class analysis provides a central part of the explanation of what can be termed the epochal trajectory of human history. The aphorism “class struggle is the motor of history” captures this idea. The argument of classical historical materialism was never that everything that happens in history is explainable by class analysis, although many critics of Marxism have accused Marxists of proposing such a moncausal theory. The claim is more restricted, yet still ambitious: that the overall trajectory of historical development can be explained by a properly constructed class analysis.

Many, perhaps most, contemporary Marxist scholars have pulled back from these grandiose claims of orthodox historical materialism. While

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the idea that history has a comprehensible structure and that the dynamics of capitalism are fraught with contradictions that point towards a socialist future may form part of the intellectual backdrop to Marxist scholarship, most actual research brackets these arguments and, instead, focuses on the ways in which class affects various aspects of social life. Class analysis thus becomes the core of a wide-ranging agenda of research on the causes and consequences of class relations.

Marxist-inspired class analysis, of course, is not the only way of studying class. There is also Weberian-inspired class analysis, stratification-inspired class analysis, eclectic common-sense class analysis. Before embarking on the specific empirical agenda of this book, therefore, we need to clarify the basic contours of the class concept which will be used in the analyses. In particular, we need to clarify the concept of class structure, since this plays such a pivotal role in class analysis. This is the basic objective of this chapter.

The concept of "class structure" is only one element in class analysis. Other conceptual elements include *class formation* (the formation of classes into collectively organized actors), *class struggle* (the practices of actors for the realization of class interests), and *class consciousness* (the understanding of actors of their class interests). The task of class analysis is not simply to understand class structure and its effects, but to understand the interconnections among all these elements and their consequences for other aspects of social life.

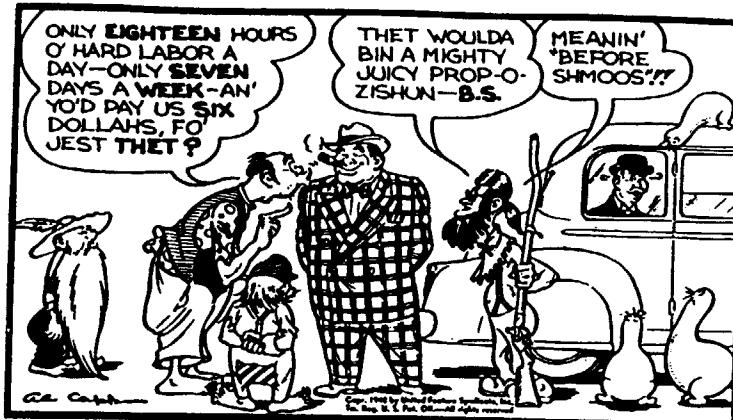
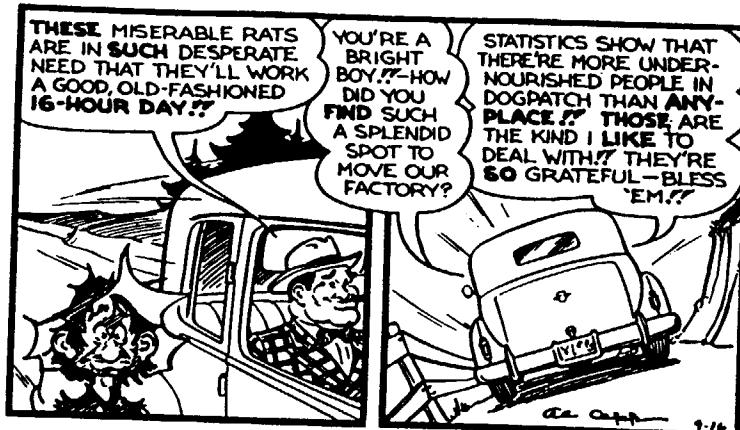
In chapter 10 we will explore a general model of the interconnections among these elements. The discussion in this chapter will be restricted to the problem of class structure. This is not because I believe that class structure is always the most important explanatory principle within class analysis. It could certainly be the case, for example, that the variation in class formations across time and place in capitalist societies may be a more important determinant of variations in state policies than variations in the class structures associated with those class formations. Rather, I initially focus on class structure because it remains *conceptually* pivotal to clarifying the overall logic of class analysis. To speak of *class formation* or *class struggle* as opposed to simply *group formation* or *struggle* implies that we have a definition of "class" and know what it means to describe a collective actor as an instance of class formation, or a conflict as a class conflict instead of some other sort of conflict. The assumption here is that the concept of class structure imparts the essential content of the adjective "class" when it is appended to "formation," "consciousness," and "struggle." Class formation is the formation

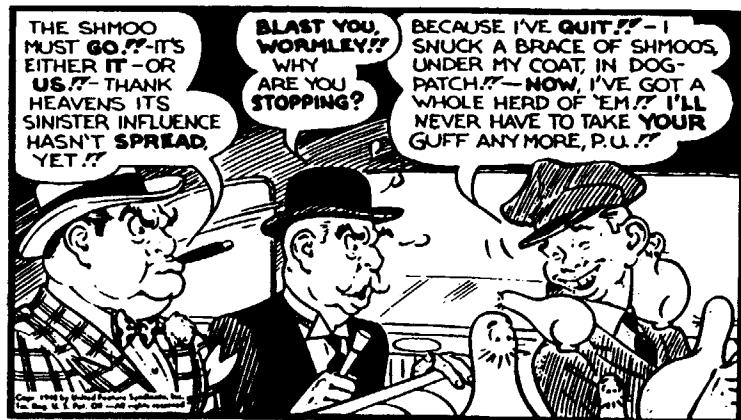
of collective actors organized around class interests within class structures; class struggle is the struggle between such collectively organized actors over class interests; class consciousness is the understanding by people within a class of their class interests. In each case one must already have a definition of class structure before the other concepts can be fully specified. Elaborating a coherent concept of class structure, therefore, is an important conceptual precondition for developing a satisfactory theory of the relationship between class structure, class formation and class struggle.

### 1.1 The parable of the shmoo

A story from the *Li'l Abner* comic strips from the late 1940s will help to set the stage for the discussion of the concept of class structure. Here is the situation of the episode: Li'l Abner, a resident of the hill-billy community of Dogpatch, discovers a strange and wonderful creature, the "shmoo," and brings a herd of them back to Dogpatch. The shmoos' sole desire in life is to please humans by transforming themselves into the material things human beings need. They do not provide humans with luxuries, but only with the basic necessities of life. If you are hungry, they can become ham and eggs, but not caviar. What is more, they multiply rapidly so you never run out of them. They are thus of little value to the wealthy, but of great value to the poor. In effect, the shmoo restores humanity to the Garden of Eden. When God banished Adam and Eve from Paradise for their sins, one of their harshest punishments was that from then on they, and their descendants, were forced to "earn their bread by the sweat of their brow." The shmoo relieves people of this necessity and thus taps a deep fantasy in Western culture.

In the episode from *Li'l Abner* reproduced below, a manager working for a rich capitalist, P.U., does a study to identify the poorest place in America in order to hire the cheapest labor for a new factory. The place turns out to be Dogpatch. P.U. and the manager come to Dogpatch to recruit employees for the new factory. The story unfolds in the following sequence of comic strips from 1948 (Al Capp 1992: 134–136).





The presence of shmoos is thus a serious threat to both class relations and gender relations. Workers are more difficult to recruit for toilsome labor and no longer have to accept "guff" and indignities from their bosses. Women are no longer economically dependent on men and thus do not have to put up with sexist treatment.

In the episodes that follow, P.U. and his henchman organize a campaign to destroy the shmoos. They are largely successful, and its sinister influence is stopped. American capitalism can continue, unthreatened by the specter of the Garden of Eden.

The saga of the shmoos helps to clarify the sense in which the interests of workers and capitalists are deeply antagonistic, one of the core ideas of Marxist class analysis. Let us look at this antagonism a bit more closely by examining the preferences of capitalists and workers towards the fate of the shmoos. Consider four possible distributions of shmoos: everyone gets a shmoos; only capitalists get shmoos; only workers get shmoos; and the shmoos are destroyed so no one gets them. Table 1.1 indicates the preference orderings for the fate of shmoos on the assumption that both workers and capitalists are rational and only interested in their own material welfare.<sup>1</sup> They are thus neither altruistic nor spiteful; the actors are motivated only by the pure, rational egoism found typically in neoclassical economics. For capitalists, their first preference is that they alone get the shmoos, since they would obviously be slightly better off with shmoos than without them. Their second preference is

<sup>1</sup> This preference ordering assumes that the shmoos provides only for basic necessities. For a discussion of the issues in conditions where the generosity of shmoos can vary, see Wright (1997: 5–7).

Table 1.1. Rank ordering of preferences for the fate of the shmoo by class

Rank order	Capitalist class	Working class
1	Only capitalists get shmoos	Everyone gets shmoos
2	Destroy the shmoos	Only workers get shmoos
3	Everyone gets shmoos	Only capitalists get shmoos
4	Only workers get shmoos	Destroy the shmoo

that no one gets them. They would rather have the shmoo be destroyed than everyone get one. For workers, in contrast, their first preference is that everyone gets the shmoos. Given that the shmoo only provides for basic necessities, not luxuries, many workers will still want to work for wages in order to have discretionary income. Such workers will be slightly better off if capitalists have shmoos as well as workers, since this will mean that capitalists will have slightly more funds available for investment (because they will not have to buy basic necessities for themselves). Workers' second preference is that workers alone get the shmoos; their third preference is that only capitalists get the shmoos; and their least preferred alternative is that the shmoos be destroyed.

The preference ordering of workers corresponds to what could be considered universal human interests. This is one way of understanding the classical Marxist idea that the working class is the "universal class," the class whose specific material interests are equivalent to the interests of humanity as such. This preference ordering also corresponds to the what might be called Rawlsian preferences – the preferences that maximize the welfare of the worst off people in a society. With respect to the shmoo, at least, the material self-interests of workers corresponds to the dictates of Rawlsian principles of Justice. This is a remarkable correspondance, for it is derived not from any special assumptions about the virtues, high-mindedness or altruism of workers, but simply from the objective parameters of the class situation.

What the story of the shmoo illustrates is that the deprivations of the propertyless in a capitalist system are not simply an unfortunate by-product of the capitalist pursuit of profit; they are a necessary condition for that pursuit. This is what it means to claim that capitalist profits depend upon "exploitation." This does not imply that profits are solely "derived" from exploitation or that the degree of exploitation is the only determinant of the level of profits. But it does mean that exploitation is one of the necessary conditions for profits in a capitalist economy.

Exploiting classes thus have an interest in preventing the exploited from acquiring the means of subsistence even if, as in the case of the shmoo story, that acquisition does not take the form of a redistribution of wealth or income from capitalists to workers. To put it crudely, capitalism generates a set of incentives such that the capitalist class has an interest in destroying the Garden of Eden.

While in real capitalism capitalists do not face the problem of a threat from shmoos, there are episodes in the history of capitalism in which capitalists face obstacles not unlike the shmoo. Subsistence peasants have a kind of quasi-shmoo in their ownership of fertile land. While they have to labor for their living, they do not have to work for capitalists. In some times and places capitalists have adopted deliberate strategies to reduce the capacity of subsistence peasants to live off the land specifically in order to recruit them as a labor force. A good example is the use of monetized hut taxes in South Africa in the nineteenth century to force subsistence peasants to enter the labor market and work in the mines in order to have cash to pay their taxes. More generally, capitalist interests are opposed to social arrangements that have even a partial shmoo-like character. Capitalist class interests are thus opposed to such things as universal guaranteed basic income or durably very low rates of unemployment, even if the taxes to support such programs were paid entirely out of wages and thus did not directly come out of their own pockets. This reflects the sense in which capitalist exploitation generates fundamentally antagonistic interests between workers and capitalists.

## 1.2 The concept of exploitation

The story of the shmoo revolves around the linkage between class divisions, class interests and exploitation. There are two main classes in the story – capitalists who own the means of production and workers who do not. By virtue of the productive assets which they own (capital and labor power) they each face a set of constraints on how they can best pursue their material interests. The presence of shmoos fundamentally transforms these constraints and is a threat to the material interests of capitalists. Why? Because it undermines their capacity to exploit the labor power of workers. "Exploitation" is thus a key concept for understanding the nature of the antagonistic interests generated by the class relations.

Exploitation is a loaded theoretical term, since it suggests a moral condemnation of particular relations and practices, not simply an

analytical description. To describe a social relationship as exploitative is to condemn it as both harmful and unjust to the exploited. Yet, while this moral dimension of exploitation is important, the core of the concept revolves around a particular type of antagonistic interdependency of material interests of actors within economic relations, rather than the injustice of those relations as such. As I will use the term, class exploitation is defined by three principle criteria:

- (i) *The inverse interdependent welfare principle*: the material welfare of exploiters causally depends on the material deprivations of the exploited. The welfare of the exploiter is at the expense of the exploited.
- (ii) *The exclusion principle*: the causal relation that generates principle (i) involves the asymmetrical exclusion of the exploited from access to and control over certain important productive resources. Typically this exclusion is backed by force in the form of property rights, but in special cases it may not be.
- (iii) *The appropriation principle*: the causal mechanism which translates (ii) exclusion into (i) differential welfare involves the appropriation of the fruits of labor of the exploited by those who control the relevant productive resources.<sup>2</sup> This appropriation is also often referred to as the appropriation of the "surplus product."

This is a fairly complex set of conditions. Condition (i) establishes the antagonism of material interests. Condition (ii) establishes that the antagonism is rooted in the way people are situated within the social organization of production. The expression "asymmetrical" in this criterion is meant to exclude "fair competition" among equals from the domain of possible exploitations. Condition (iii) establishes the specific mechanism by which the interdependent, antagonistic material interests are generated. The welfare of the exploiter depends upon the *effort* of the exploited, not merely the deprivations of the exploited.

If only the first two of these conditions are met we have what can be called "nonexploitative economic oppression," but not "exploitation." In nonexploitative economic oppression there is no transfer of the fruits of

<sup>2</sup> The expression "appropriation of the fruits of labor" refers to the appropriation of that which labor produces. It does not imply that the value of those products are exclusively determined by labor effort, as claimed in the labor theory of value. For a discussion of this way of understanding the appropriation of the fruits of labor, see Cohen (1988: 209–238). For a discussion of the concept of "surplus" as it bears on the problem of exploitation as defined here, see Wright (1997: 14–17).

labor from the oppressed to the oppressor; the welfare of the oppressor depends simply on the exclusion of the oppressed from access to certain resources, but not on their laboring effort. In both instances, the inequalities in question are rooted in ownership and control over productive resources.

The crucial difference between exploitation and nonexploitative oppression is that, in an exploitative relation, the exploiter *needs* the exploited since the exploiter depends upon the effort of the exploited. In the case of nonexploitative oppression, the oppressors would be happy if the oppressed simply disappeared. Life would have been much easier for the European settlers to North America if the continent had been uninhabited by people. Genocide is thus always a potential strategy for nonexploitative oppressors. It is not an option in a situation of economic exploitation because exploiters require the labor of the exploited for their material well-being. It is no accident that in the United States there is an abhorrent folk saying, "the only good Indian is a dead Indian," but not the saying "the only good worker is a dead worker" or "the only good slave is a dead slave." It makes sense to say "the only good worker is an obedient and conscientious worker," but not "the only good worker is a dead worker." The contrast between South Africa and North America in their treatment of indigenous peoples reflects this difference poignantly: in North America, where the indigenous people were oppressed (by virtue of being coercively displaced from the land) but not exploited, genocide was part of the basic policy of social control in the face of resistance; in South Africa, where the European settler population heavily depended upon African labor for its own prosperity, this was not an option.

Exploitation, therefore, does not merely define a set of *statuses* of social actors, but a pattern of ongoing *interactions* structured by a set of social relations, relations which mutually bind the exploiter and the exploited together. This dependency of the exploiter on the exploited gives the exploited a certain form of power, since human beings always retain at least some minimal control over their own expenditure of effort. Social control of labor which relies exclusively on repression is costly and, except under special circumstances, often fails to generate optimal levels of diligence and effort on the part of the exploited. As a result, there is generally systematic pressure on exploiters to moderate their domination and in one way or another to try to elicit some degree of consent from the exploited, at least in the sense of gaining some level of minimal cooperation from them. Paradoxically perhaps, exploitation is thus a

constraining force on the practices of the exploiter. This constraint constitutes a basis of power for the exploited.

People who are oppressed but not exploited also may have some power, but it is generally more precarious. At a minimum, oppressed people have the power that comes from the human capacity for physical resistance. However, since their oppressors are not economically constrained to seek some kind of cooperation from them, this resistance is likely very quickly to escalate into quite bloody and violent confrontations. It is for this reason that the resistance of Native Americans to displacement from the land led to massacres of Native Americans by white settlers. The pressure on nonexploitative oppressors to seek accommodation is very weak; the outcomes of conflict therefore tend to become simply a matter of the balance of brute force between enemies moderated at best by moral qualms of the oppressor. When the oppressed are also exploited, even if the exploiter feels no moral compunction, there will be economic constraints on the exploiter's treatment of the exploited.

The conceptualization of exploitation proposed here has extension beyond the specific domain of class relations and economic exploitation. One can speak, for example, of the contrast between sexual exploitation and sexual oppression. In the former the sexual "effort," typically of women, is appropriated by men; in the latter the sexuality of some group is simply repressed. Thus, in heterosexist societies women are often sexually exploited, while homosexuals would typically be sexually oppressed.

Describing the material interests of actors generated by exploitation as antagonistic does not prejudge the moral question of the justice or injustice of the inequalities generated by these antagonisms. One can believe, for example, that it is morally justified to prevent poor people in Third World countries from freely coming into the United States and still recognize that there is an objective antagonism of material interests between US citizens and the excluded would-be Third World migrants. Similarly, to recognize the capital-labor conflict as involving antagonistic material interests rooted in the appropriation of labor effort does not necessarily imply that capitalist profits are unjust; it simply means that they are generated in a context of inherent conflict.

Nevertheless, it would be disingenuous to claim that the use of the term "exploitation" to designate this form of antagonistic interdependency of material interests is a strictly scientific, technical choice. Describing the appropriation of labor effort as "exploitation" rather than

simply a "transfer" adds a sharp moral judgment to the analytical claim. Without at least a thin notion of the moral status of the appropriation, it would be impossible, for example, to distinguish such things as legitimate taxation from exploitation. Taxation involves coercive appropriation, and in many instances there is arguably a conflict of material interests between the taxing authorities and the taxpayer as a private individual. Even under deeply democratic and egalitarian conditions, many people would not voluntarily pay taxes since they would prefer to enhance their personal material interests by free-riding on other people's tax payments. Right-wing libertarians in fact do regard taxation as a form of exploitation because it is a violation of the sanctity of private property rights and thus an unjust, coercive appropriation. The motto "Taxation is theft" is equivalent to "taxation is exploitation." The claim that the capitalist appropriation of labor effort from workers is "exploitation," therefore, implies something more than simply an antagonism of material interests between workers and capitalists; it implies that this appropriation is unjust.

While I feel that a good moral case can be made for the kind of radical egalitarianism that provides a grounding for treating capitalist appropriation as unjust, it would take us too far afield here to explore the philosophical justifications for this claim. In any case, for purposes of sociological class analysis, the crucial issue is the recognition of the antagonism of material interests that are linked to class relations by virtue of the appropriation of labor effort, and on this basis I will refer to this as "exploitation."

### 1.3 Class and exploitation

Within the Marxist tradition of class analysis, class divisions are defined primarily in terms of the linkage between property relations and exploitation. Slave masters and slaves constitute classes because a particular property relation (property rights in people) generates exploitation (the appropriation of the fruits of labor of the slave by the slave master). Homeowners and the homeless would not constitute "classes" even though they are distinguished by property rights in housing since this division does not constitute a basis for the exploitation of the homeless by homeowners.

In capitalist society, the central form of exploitation is based on property rights in the means of production. These property rights generate three basic classes: *capitalists* (exploiters), who own the means

of production and hire workers; *workers* (exploited), who do not own the means of production and sell their "labor power" (i.e. their capacity to work) to capitalists; and *petty bourgeois* (neither exploiter nor exploited), who own and use the means of production without hiring others. The Marxist account of how the capital-labor relation generates exploitation is a familiar one: propertyless workers, in order to acquire their means of livelihood, must sell their labor power to people who own the means of production. In this exchange relation, they agree to work for a specified length of time in exchange for a wage which they use to buy their means of subsistence. Because of the power relation between capitalists and workers, capitalists are able to force workers to produce more than is needed to provide them with this subsistence. As a result, workers produce a surplus which is owned by the capitalist and takes the form of profits. Profits, the amount of the social product that is left over after the costs of producing and reproducing all of the inputs (both labor power inputs and physical inputs) have been deducted, constitute an appropriation of the fruits of labor of workers.

Describing this relation as exploitative is a claim about the basis for the inherent conflict between workers and capitalists in the employment relation. It points to the crucial fact that the conflict between capitalists and workers is not simply over the *level of wages*, but over the *amount of work effort* performed for those wages. Capitalists always want workers to expend more effort than workers willingly want to do. As Bowles and Gintis (1990) have argued, "the whistle while you work" level of effort of workers is always suboptimal for capitalists, and thus capitalists have to adopt various strategies of surveillance and control to increase labor effort. While the intensity of overt conflict generated by these relations will vary over time and place, and class compromises may occur in which high levels of cooperation between labor and management take place, nevertheless, this underlying antagonism of material interests remains so long as the relationship remains exploitative.

For some theoretical and empirical purposes, this simple image of the class structure may be sufficient. For example, if the main purpose of an analysis is to explore the basic differences between the class structures of feudalism and capitalism, then an analysis of capitalist society which revolved entirely around the relationship between capitalists and workers might be adequate. However, for many of the things we want to study with class analysis, we need a more nuanced set of categories. In particular, we need concepts which allow for two kinds of analyses: first, the analysis of the variation across time and place in the class structures

of concrete capitalist societies, and, second, the analysis of the ways individual lives are affected by their location within the class structure. The first of these is needed if we are to explore macro-variations in a fine-grained way; the second is needed if we are to use class effectively in micro-analyses.<sup>3</sup>

Both of these tasks involve elaborating a concept of class structure in capitalist societies that moves beyond the core polarization between capitalists and workers. More specifically, this involves introducing new forms of complexity into the class concept by addressing four general problems in class structural analysis: first, the "middle class" within the class structure; second, people not in the paid labor force in the class structure; third, capitalist assets owned by employees; and fourth, the temporal dimension of class locations.

#### 1.4 Adding complexities to the concept of class structure

##### 1 *The problem of the "middle class" among employees*

If we limit the analysis of class structure in capitalism to the ownership of and exclusion from the means of production, we end up with a class structure in which there are only three locations – the capitalist class, the working class and the petty bourgeoisie – and in which around 85–90% of the labor force in most developed capitalist countries falls into a single class. While this may in some sense reflect a profound truth about capitalism – that the large majority of the population are separated from the means of production and must sell their labor power on the labor market in order to survive – it does not provide us with an adequate conceptual framework for explaining many of the things we want class to help explain. In particular, if we want class structure to help explain class consciousness, class formation and class conflict, then we need some way of understanding the class-relevant divisions within the employee population.

In ordinary language terms, this is the problem of the "middle class" – people who do not own their own means of production, who sell their labor power on a labor market, and yet do not seem part of the "working class." The question, then, is on what basis can we differentiate class locations among people who share a common location of nonownership

<sup>3</sup> For an extended discussion of the limitations of the overly abstract polarized concept of class structure, see Wright (1989: 271–278).

within capitalist property relations? In the analyses in this book, I will divide the class of employees along two dimensions: first, their relationship to authority within production, and second, their possession of skills or expertise.

### Authority

There are two rationales for treating authority as a dimension of class relations among employees. The first concerns the role of *domination* within capitalist property relations. In order to insure the performance of adequate effort on the part of workers, capitalist production always involves an apparatus of domination involving surveillance, positive and negative sanctions and varying forms of hierarchy. Capitalists do not simply *own* the means of production and *hire* workers; they also *dominate* workers within production.

In these terms, managers and supervisors can be viewed as exercising delegated capitalist class powers in so far as they engage in the practices of domination within production. In this sense they can be considered *simultaneously* in the capitalist class and the working class: they are like capitalists in that they dominate workers; they are like workers in that they are controlled by capitalists and exploited within production. They thus occupy what I have called *contradictory locations within class relations* (see Wright 1978, 1985). The term "contradictory" is used in this expression rather than simply "dual" since the class interests embedded in managerial jobs combine the inherently antagonistic interests of capital and labor. The higher one moves in the authority hierarchy, the greater will be the weight of capitalist interests within this class location. Thus upper managers, and especially CEO's in large corporations will be very closely tied to the capitalist class, while the class character of lower level supervisor jobs will be much closer to the working class.

The second rationale for treating the authority dimension as a criterion for differentiating class locations among employees centers on the relationship between their earnings and the appropriation of surplus. The strategic position of managers within the organization of production enables them to make significant claims on a portion of the social surplus – the part of the socially produced product left over after all inputs have been paid for – in the form of relatively high earnings. In effect this means that the wages and salaries of managerial labor power are above the costs of producing and reproducing their labor power (including whatever skills they might have).

In an earlier work (Wright 1985) I argued that by virtue of this

appropriation of surplus by managers they should generally be seen as exploiters. The problem with this formulation is that managers also contribute to the surplus through their own laboring activity, and thus their surplus income may simply reflect a capacity to appropriate part of the surplus which they contribute to production. Instead of being "exploiters," therefore, many managers may simply be less exploited than other employees. Because of this ambiguity, therefore, it is better simply to see managers as occupying a *privileged* position with respect to the process of exploitation which enables them to appropriate part of the social surplus in the form of higher incomes.

The specific mechanism through which this appropriation takes place can be referred to as a "loyalty rent." It is important for the profitability of capitalist firms that managers wield their power in an effective and responsible way. The difficulty is that a high level of surveillance and threats is generally not an effective strategy of eliciting this kind of behavior, both because managerial performance is generally rather hard to monitor and because repressive controls tend to intimidate initiative rather than stimulate creative behavior. What is needed, then, is a way of generating some level of real commitment on the part of managers to the goals of the organization. This is accomplished by relatively high earnings linked to careers and promotion ladders within authority hierarchies. These higher earnings involve a redistribution of part of the social surplus to managers in order to build their loyalty to the organization. Of course, negative sanctions are still present in the background: managers are sometimes fired, they are disciplined for poor work by failing to get promotions or raises, etc. But these coercive forms of control gain their efficacy from their link to the strong inducements of earnings that, especially for higher level managers, are significantly above the costs of producing the skills of managers.<sup>4</sup> Managers thus not only occupy *contradictory locations within class relations* by virtue of

<sup>4</sup> This rent component of the earnings of managers has been recognized in "efficiency wage" theory which acknowledges that the market-clearing wage may be suboptimal from the point of view of the goals of the employer. Because of the difficulty in enforcing labor contracts, employers have to pay employees more than the wages predicted by theories of competitive equilibria in order to gain compliance. While this mechanism may generate some small "employment rents" for all employees, it is especially salient for those employees who occupy strategic jobs requiring responsible, diligent performance of duties. For the mainstream economics discussion of efficiency wages, see Akerlof and Yellen (1986). For arguments that extend efficiency wage theory to Marxist arguments about the "extraction" of labor effort from workers, see Bowles and Gintis (1990).

domination, they occupy what might be termed a *privileged appropriation location within exploitation relations*. Both of these differentiate them from the working class.

### Skills and expertise

The second axis of class differentiation among employees centers on the possession of skills or expertise. Like managers, employees who possess high levels of skills/expertise are potentially in a privileged appropriation location within exploitation relations. There are two primary mechanisms through which this can happen. First, skills and expertise are frequently scarce in labor markets, not simply because they are in short supply, but also because there are systematic obstacles in the way of increasing the supply of those skills to meet the requirements of employing organizations. One important form of these obstacles is credentials, but rare talents could also constitute the basis for sustained restrictions on the supply of a particular form of labor power.<sup>5</sup> The result of such restrictions on supply is that owners of the scarce skills are able to receive a wage above the costs of producing and reproducing their labor power. This "skill rent" is a way by which employees can appropriate part of the social surplus.

Second, the control over knowledge and skills frequently renders the labor effort of skilled workers difficult to monitor and control. The effective control over knowledge by such employees means that employers must rely to some extent on loyalty-enhancing mechanisms in order to achieve desired levels of cooperation and effort from employees with high levels of skills and expertise, just as they have to do in the case of managers. Employees with high levels of expertise, therefore, are able to appropriate surplus both because of their strategic location within the organization of production (as controllers of knowledge), and because of their strategic location in the organization of labor markets (as controllers of a scarce form of labor power).

The possession of skills and expertise defines a distinctive location within class relations because of a specific kind of power they confer on

<sup>5</sup> Credentials would not constitute a restriction on the supply of a particular kind of skill if there were no obstacles for individuals acquiring the credentials. A variety of such obstacles exist: restrictions on the number of slots in the training programs; restrictions in credit markets to get loans to obtain the training; inequality in the distribution of "cultural capital" (including such things as manners, accent, appearance, etc.) and "social capital" (especially such things as access to networks and information); and, of course, inequalities in genetic endowments.

employees – power in labor markets to capture skill rents and power within production to capture loyalty rents. It may also be the case that expertise, skills and knowledge are associated with various kinds of "symbolic capital" and distinctive life-styles, as Bourdieu (1984) and others have noted. While these cultural correlates of class may be of considerable explanatory importance for a variety of sociological questions, they do not constitute the essential rationale for treating skills and expertise as a dimension of class location within a materialist class analysis (except in so far as symbolic capital plays a role in acquiring skills and credentials). That rationale rests on the claim that experts, like managers, occupy a *privileged appropriation location within exploitation relations* that differentiates them from ordinary workers.

Throughout this book I will frequently use "skills and expertise" as a couplet. The term "skill" by itself sometimes is taken to refer simply to manual skills, rather than the more general idea of enhanced or complex labor power, contrasted to "raw" or undeveloped labor power. This enhancement can take many forms, both physical and cognitive. It may provide great flexibility to engage in a variety of work settings, or it may be highly specialized and vulnerable to obsolescence. Enhanced labor power is often legally certified in the form of official credentials, but in some circumstances skills and expertise may function effectively without such certification. The important theoretical idea is that skills and expertise designate an *asset embodied in the labor power* of people which enhances their power in labor markets and labor processes.

Incorporating skills in this way into class analysis somewhat blurs the sharp distinction between a *relational* class analysis and a *gradational* stratification analysis. Skills, after all, vary in more or less a continual manner – one can have greater or lesser skills. "Levels" of skills thus suggest *strata* within a structure of inequality rather than *locations* within a structure of class relations. The class analysis being proposed here, therefore, tries to combine an account of the social relations which constitute the classness of class structures with an account of processes which generate strata within class locations.

This way of specifying the distinctiveness of the class location of managers and experts is similar in certain respects to John Goldthorpe's (1982) treatment of the concept of the "service class." Goldthorpe draws a distinction between two kinds of employment relations: one based on a labor contract, characteristic of the working classes; and one based on what he terms a "service relationship," characteristic of managers and experts. In the latter, employees enter a career structure, not simply a job,

and their rewards are in significant ways prospective, rather than simply payments for labor performed. Such a service relation, Goldthorpe argues, is "likely to be found where it is required of employees that they exercise delegated authority or specialized knowledge and expertise in the interests of their employing organization. In the nature of the case . . . their performance will depend upon the degree of moral commitment that they feel towards the organization rather than on the efficacy of external sanctions." (Erickson and Goldthorpe 1993: 42). This characterization is closely related to the idea that, because of their strategic power within organizations, the cooperation of middle-class employees is achieved in part through the payment of loyalty rents embodied in their earnings. The main difference between Goldthorpe's conceptual analysis and the one adopted here is, first, that Goldthorpe does not link his analysis of service-class jobs to the problem of exploitation and antagonistic interests; second, that he treats the authority dimension of managerial positions simply in terms of heightened responsibilities, not domination; and, third, he combines large capitalists, high-level professionals and upper-level corporate managers into a single class location in spite of their different location within capitalist property relations. Nevertheless, Goldthorpe's conceptualization of class structure taps many of the same relational properties of managerial and expert positions as the conceptualization adopted in this book.

#### A map of middle-class class locations

Adding position within authority hierarchies and possession of scarce skills and expertise to the fundamental dimension of capitalist property relations generates the map of class locations presented in Figure 1.1. With appropriate modifications depending upon our specific empirical objectives, this is the basic schema that underlies the investigations of this book.

It is important to stress that this is a map of class *locations*. The cells in the typology are not "classes" as such; they are locations within class relations. Some of these are contradictory locations within class relations, others are privileged appropriation locations within exploitation relations, and still others are polarized locations within capitalist property relations. By convention the polarized locations – "capitalists" and "workers" in capitalism – are often called "classes," but the more precise terminology would be to describe these as "the fundamental locations within the capitalist class structure." The typology is thus not a proposal for a six-class model of the class structure of capitalism, but rather a

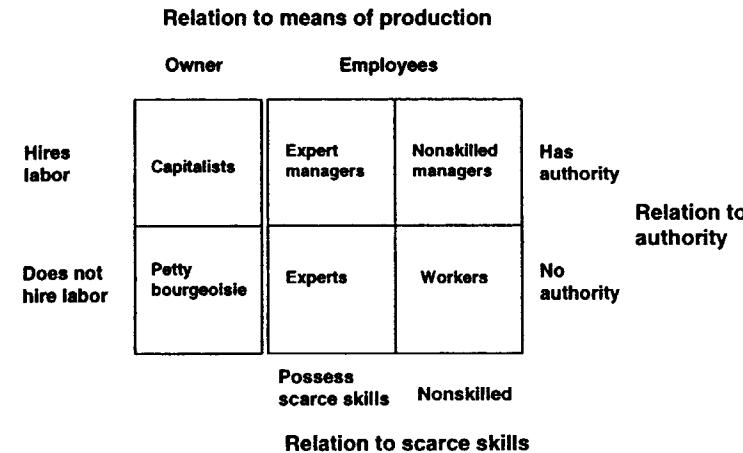


Figure 1.1 *Basic class typology*.

model of a class structure which differentiates six locations within class relations.

In some of the empirical analyses in this book, we combine some of the locations in this typology, typically to generate a four-category typology consisting of capitalists, petty bourgeois, "middle class" locations (contradictory locations and privileged appropriation locations among employees) and workers. In other analyses we will modify the typology by adding intermediary categories along each of the dimensions. On the ownership of means of production dimension this involves distinguishing between proper capitalists, small employers who only have a few employees, and the petty bourgeoisie (self-employed people with no employees). On the authority dimension this means differentiating between proper managers – people who are involved in organizational decision-making – and mere supervisors, who have power over subordinates but are not involved in policy-making decisions. And, on the skill dimension, this involves distinguishing between occupations which typically require advanced academic degrees, and other skilled occupations which require lower levels of specialized training. The result will be the twelve-location class structure matrix presented in Figure 1.2.

#### 2 People not in the paid labor force

Many people in capitalist societies – probably the majority – do not fill jobs in the paid labor force. The most obvious case is children. How

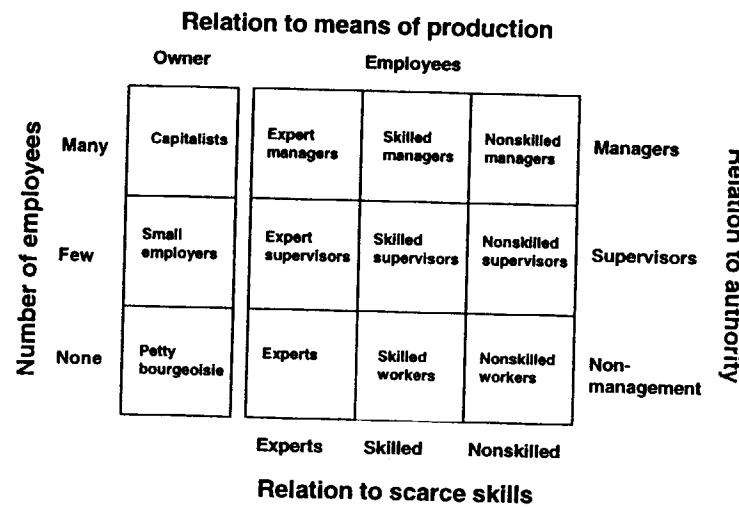


Figure 1.2 *Elaborated class typology*.

should babies be located in the class structure? But there are many other categories as well: retirees, permanently disabled people, students, people on welfare, the unemployed and full-time homemakers.<sup>6</sup> Each of these categories of people poses special problems for class structure analysis.

As a first approximation we can divide this heterogeneous set of situations into two broad categories: people who are tied to the class structure through interpersonal relations (especially within families),

<sup>6</sup> The claim that the people in these categories do not participate directly in production is simple enough for the unemployed, retirees and children, but it is problematic for housewives, since housewives obviously work and produce things in the home. This has led some theorists (e.g. Delphy 1984) to argue that the work of housewives should be treated as domestic labor performed within a domestic mode of production in which housewives occupy a distinctive class location, the domestic worker. Others have argued that household production is a subsidiary part of the capitalist mode of production. It has even been argued (Fraad, Resnick and Wolfe 1994) that household production is a special form of feudal production in which housewives are feudally exploited by their husbands since the husbands directly "appropriate" use-values from their wives. All of these views in one way or another attempt to treat the gender and kinship relations within a family as if they were a form of class relations. This amalgamation of class and gender undercuts the explanatory specificity of both class and gender and does not, I believe, enhance our capacity to explain the processes in question. In any case, since the empirical analysis in this book is restricted to people in the paid labor force, we will bracket these issues.

and people who are not. To be in a "location" within class structure is to have one's material interests shaped by one's relationship to the process of exploitation. One way such linkages to exploitation are generated by class structures is through jobs. This is the kind of class location we have been exploring so far. I will refer to these as *direct class locations*. But there are other mechanisms by which people's lives are linked to the process of exploitation. Of particular importance are the ways in which family structures and kinship relations link an individual's material interests to the process of exploitation. Being born into a wealthy capitalist family links the child to the material interests of the capitalist class via family relations. It makes sense, then, to say that this child is "in" the capitalist class. If that child, as a young adult, works in a factory but stands to inherit millions of dollars of capitalist wealth and can rely on family resources for various needs, then that person would simultaneously be in two class locations: the capitalist class by virtue of family ties and the working class by virtue of the job.

I will refer to these situations as *mediated class locations*. Family ties are probably the most important basis for mediated class locations, but membership in certain kinds of communities or the relationship to the state may also provide such linkages. In each case the question one asks is "how do the social relations in which a person's life is embedded link that person to the various mechanisms of class exploitation and thus shape that person's material interests?" Many people, of course, have both direct and mediated class locations. This is of particular importance in developed capitalist economies for households in which both spouses are in the labor force, for this creates the possibility that husbands and wives will have different direct class locations, and thus each of them will have different direct and mediated locations. Understanding such "cross-class families" is the core problem of chapter 7.

There are, however, people for whom family ties provide at most extremely tenuous linkages to the class structure. Most notably, this is the situation of many people in the so-called "underclass." This expression is used in a variety of ways in contemporary policy discussions. Sometimes it is meant to be a pejorative term rather like the old Marxist concept of "lumpenproletariat"; other times it is used more descriptively to designate a segment of the poor whose conditions of life are especially desperate and whose prospects for improvement are particularly dismal. In terms of the analysis of this chapter, one way of giving this concept a more precise theoretical status is to link it to the concepts of exploitation and oppression: an "underclass" can be defined as a category of social

agents who are economically oppressed but not consistently exploited within a given class system.<sup>7</sup>

Different kinds of class structures will generate different forms of an "underclass." In many parts of the world today and throughout much of human history, the pivotal resource which defines the underclass is land. Landlords, agrarian capitalists, peasants and exploited agrarian producers all have access to land; people who are excluded from such access constitute the underclass of agrarian societies. In these terms, many Native Americans were transformed into an underclass in the nineteenth century when they were pushed off the land onto the reservations.

In contemporary advanced capitalism, the key resource which defines the predicament of the underclass is labor power itself. This might seem like an odd statement since in capitalism, at least since the abolition of slavery, everyone supposedly owns one "unit" of labor power, him- or herself. The point is that some people do not in fact own productively saleable labor power. The situation is similar to a capitalist owning outmoded machines. While the capitalist physically controls these pieces of machinery, they cease to be "capital" – a capitalistically productive asset – if they cannot be deployed within a capitalist production process profitably. In the case of labor power, a person can physically control his or her own laboring capacity, but that capacity can cease to have economic value in capitalism if it cannot be sold on a labor market and deployed productively. This is the essential condition of the "underclass." They are oppressed because they are denied access to various kinds of productive resources, above all the necessary means to acquire the skills needed to make their labor power saleable. As a result, they are not consistently exploited.

Understood in this way, the underclass consists of human beings who are largely expendable from the point of view of the logic of capitalism. Like Native Americans who became a landless underclass in the nineteenth century, repression rather than incorporation is the central

<sup>7</sup> Although he does not explicitly elaborate the term "underclass" in terms of a theory of exploitation and economic oppression, the definition proposed here is consistent with the more structural aspects of the way the term is used by William Julius Wilson (1982, 1987) in his analysis of the interconnection between race and class in American society. Wilson argues that, as legal barriers to racial equality have disappeared and as class differentiation within the black population has increased, the central determining structure of the lives of many African-Americans is no longer race as such, but class. More specifically, he argues that there has been a substantial growth of an urban underclass of people without marketable skills and with very weak attachments to the labor force, living in crumbling central cities isolated from the mainstream of American life and institutions.

mode of social control directed towards them. Capitalism does not need the labor power of unemployed inner city youth. The material interests of the wealthy and privileged segments of American society would be better served if these people simply disappeared. However, unlike in the nineteenth century, the moral and political forces are such that direct genocide is no longer a viable strategy. The alternative, then, is to build prisons and to cordon off the zones of cities in which the underclass lives.

### 3 Employee investments

In developed capitalist countries, many people are both owners of capitalist investments (and accordingly receive some of their income as returns on those investments) and paid employees in a job. This situation is most notoriously the case for high-level executives in large corporations whose income comes both from direct salaries as employees and from stockholding in the corporation. The latter often dwarfs the former. But, more generally, there is a fairly wide spectrum of people who are in jobs with sufficiently high pay that they are able to convert some of their employment earnings into capitalist property through personal investment, and others who work in firms which offer a variety of incentive schemes involving stock ownership for ordinary employees. And, of course, there is an even broader range of people who have no direct control of investments, but who nevertheless have vested rights in pensions which are invested in capitalist firms. In many cases, the investment portfolios of employees are trivial and only marginally shape their material interests. The United States is certainly very far from the fantasy of a "People's Capitalism" in which share ownership is so widespread that the distinction between owners and workers begins to wither away. Nevertheless, for certain segments of the employee population, particularly managers and professionals, the ability to turn surplus earnings into capital can become a significant part of their class situation. These kinds of situations define a specific kind of complexity in the class structure, a new kind of "contradictory class location" in which a person's job class and their property class become partially uncoupled.

### 4 Temporality

The final complexity to be added to the concept of class structure concerns the temporal character of class locations. So far we have treated class "locations" in a basically static matter, as slots within relations

filled by persons. This can give a quite misleading picture of how people's lives are organized within class structures. Two individuals in identical working-class jobs in terms of statically defined relational characteristics would have very different class interests if one was certain to be promoted into a managerial position and one was certain to remain for life in a working-class position.

Typically, analyses of the temporal dimension of class structures treat this problem as one of *intragenerational* "mobility." The suggestion in such a characterization is that individuals "move" from one location to another and thus the locations are definable independently of the movement. If, however, specific jobs are embedded in temporally organized careers, and certain kinds of careers cross class lines, then such movement are not properly considered class "mobility" at all. The class location itself has a temporal character.

In most real world situations, of course, it is not the case that people occupy class-careers with complete certainty about future states. The temporal dimension of class location, therefore, generally implies a degree of temporal *indeterminacy* in the class location of people.

This issue of the temporality of class locations applies to mediated class locations as well as direct class locations. In particular, it may be useful to understand the class location of married women as partially determined by what might be called their "shadow class" – the class location that they would occupy in the case of the dissolution of their marriage, either through divorce or widowhood. Since the shadow class for married women is frequently different from their current mediated class, this suggests that there is at least some temporal indeterminacy in the mediated class locations of many women, particularly given the high rates of divorce.

Adding these four sources of complexity to the concept of class – contradictory class locations, privileged relations to exploitation, mediated class locations, disjunctures between job class and property class, and the temporal dimension of locations – moves us very far from the simple, polarized class concept with which we began this discussion. Some sociologists, in fact, have argued that the existence of these kinds of complexities signal the "death of class," to quote Pakulski and Waters (1996). In this view, incorporating these complexities cannot enrich the explanatory power of class; rather, they compromise the basic relevance of class for sociological analysis. One of the main objectives of this book is to show that class remains a relevant and powerful concept, not in

spite of these complexities but in part because of the way these complexities can be incorporated into class analysis.

### 1.5 Marxist versus Weberian class analysis

As a set of empirical categories, the class structure matrix in Figures 1.1 and 1.2 could be deployed within either a Weberian or Marxist framework. The control over economic resources is central to both Marxist and Weberian class analysis, and both frameworks could be massaged to allow for the array of categories I am using. Indeed, a good argument could be made that the proposed class structure concept incorporates significant Weberian elements, since the explicit inclusion of skills as a criterion for class division and the importance accorded income privileges for both managers and credentialed experts are hallmarks of Weberian class analysis. In a real sense, therefore, the empirical categories in this book can be seen as a hybrid of the categories conventionally found in Marxist and Weberian class analysis. In what sense, therefore, does this class structure analysis remain "Marxist"?

To answer this question we need to compare the theoretical foundations of the concept of class in the Marxist and Weberian traditions. The contrast between Marx and Weber has been one of the grand themes in the history of Sociology as a discipline. Most graduate school programs have a sociological theory course within which Marx versus Weber figures as a central motif. However, in terms of class analysis, posing Marx and Weber as polar opposites is a bit misleading because in many ways Weber is speaking in his most Marxian voice when he talks about class. The concept of class within these two streams of thought share a number of important features:

- Both Marxist and Weberian approaches differ from what might be called simple *gradational* notions of class in which classes are differentiated strictly on the basis of inequalities in the material conditions of life. This conceptualization of class underwrites the common inventory of classes found in popular discourse and the mass media: upper class, upper middle class, middle class, lower middle class, lower class, underclass. Both Marxist and Weberian class analysis define classes *relationally*, i.e. a given class location is defined by virtue of the social relations which link it to other class locations.
- Both traditions identify the concept of class with the relationship between people and economically relevant assets or resources. Marx-

ists call this relation to the means of production; Weberians refer to "Market capacities." But they are both really talking about very similar empirical phenomena.

- Both traditions see the causal relevance of class as operating, at least in part, via the ways in which these relations shape the material interests of actors. Ownership of the means of production and ownership of one's own labor power are explanatory of social action because these property rights shape the strategic alternatives people face in pursuing their material well-being: *what you have determines what you get*, and *what you have determines what you have to do to get what you get*. To be sure, Marxists tend to put more weight on the objective character of these "material interests" by highlighting the fact that these constraints are imposed on individuals, whereas Weberians tend to focus on the subjective conditions, by emphasizing the relative contingency in what people want. Nevertheless, it is still the case that at their core, both class concepts involve the causal connection between (a) social relations to resources and (b) material interests via (c) the way resources shape strategies for acquiring income.

How then do they differ? The pivotal contrast is captured by the favorite buzz-words of each theoretical tradition: *life chances* for Weberians, and *exploitation* for Marxists. The reason why production is more central to Marxist than to Weberian class analysis is because of its salience for the problem of exploitation; the reason why Weberians give greater emphasis to the market is because it so directly shapes life chances.

The intuition behind the idea of life chances is straightforward. "In our terminology," Weber (in Gerth and Mills 1958: 181–182) writes:

"classes" are not communities; they merely represent possible, and frequent, bases for communal action. We may speak of a "class" when (1) a number of people have in common a specific causal component of their life chances, in so far as (2) this component is represented exclusively by economic interests in the possession of goods and opportunities for income, and (3) is represented under conditions of the commodity or labor markets . . . These points refer to "class situation," which we may express more briefly as the typical chance for a supply of goods, external living conditions and life experiences, in so far as this chance is determined by the amount and kind of power, or lack of such, to dispose of goods or skills for the sake of income in a given economic order. The term "class" refers to any group of people that is found in the same class situation . . . But always this is the generic connotation of the concept of class: that the kind of chance in the market is the decisive moment which presents a common condition for the individual's fate. "Class situation" is, in this sense, ultimately "market situation."

In short, the kind and quantity of resources you own affects your opportunities for income in market exchanges. "Opportunity" is a description of the feasible set individuals face, the trade-offs they encounter in deciding what to do. Owning means of production gives a person different alternatives from owning credentials, and both of these are different from simply owning unskilled labor power. Furthermore, in a market economy, access to market-derived income affects the broader array of life experiences and opportunities for oneself and one's children. The study of the life chances of children, based on parents' market capacity, is thus an integral part of the Weberian agenda of class analysis.

Within a Weberian perspective, therefore, the salient issue in the linkage of people to different kinds of economic resources is the way this confers on them different kinds of economic opportunities and disadvantages and thereby shapes their material interests. One way of representing this idea in a stylized way is by examining the income-leisure trade-offs faced by people in different classes as pictured in Figure 1.3. In this figure, everyone faces some trade-off between leisure and income: less leisure yields more income. However, for the propertied class it is possible to have high income with no work (thus the expressions "the leisure class" or the "idle rich"), whereas, for both the middle class and the working class in this stylized drawing, zero work corresponds to zero income. The middle class has "greater" opportunities (life chances) in the market than workers because the slope they face (i.e. the wage rate) is steeper. Some workers in fact might actually have a higher standard of living than some people in the middle class, but the trade-offs they face are nevertheless less desirable. These common trade-offs, then, are the basis for a potential commonality of interests among members of a class, and thus constitute the basis for potential common action.

Within a Marxist framework, the feature of the relationship of people to economic resources which is at the core of class analysis is "exploitation." Both "exploitation" and "life chances" identify inequalities in material well-being that are generated by inequalities in access to resources of various sorts. Thus both of these concepts point to conflicts of interest over the *distribution* of the assets themselves. What exploitation adds to this is a claim that conflicts of interest between classes are generated not simply by what people have, but also by what people do with what they have. The concept of exploitation, therefore, points our attention to conflicts within *production*, not simply conflicts in the *market*.

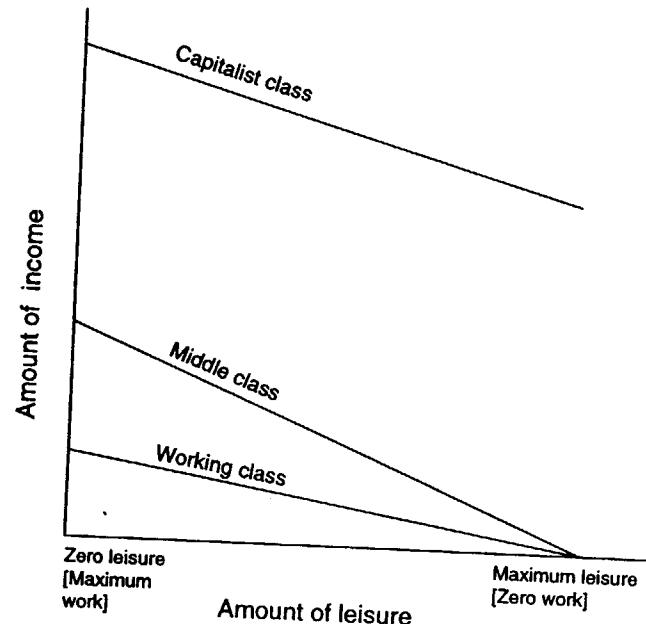
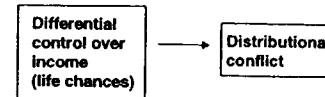


Figure 1.3 *Leisure vs. consumption trade-offs faced by people in different economic classes.*

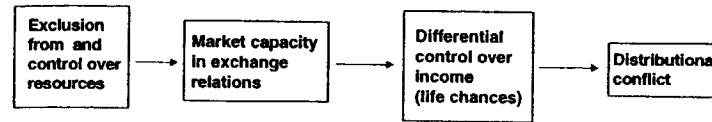
This conceptual contrast between Marxist and Weberian perspectives on class is reflected in an interesting way in the *Li'l Abner* story about the shmoo. In commenting on the shmoo, the Dogpatch resident proclaims, "But nobody whut's got shmoos has t'work any more," whereas the manager declares, "Nobody'll have to *work hard* any more." The manager understands that the issue is the extraction of labor effort – exploitation – not simply getting people to show up for "work." The Dogpatchian only identifies an effect in the labor market; the manager identifies an effect in the labor process. To state the matter sociologically, the Dogpatchian provides a Weberian analysis, the manager a Marxist one.

Figure 1.4 summarizes this analysis of the differences between the Marxist and Weberian traditions of class analysis. Weberian class analysis revolves around a single causal nexus that works through market exchanges. Marxist class analysis includes the Weberian causal processes, but adds to them a causal structure within production itself as well as an account of the interactions of production and exchange. Part of our analysis, the class location of managers, for example, concerns the "loyalty rent" which managers receive by virtue of their position within

#### I. Simple gradational class analysis



#### II. Weberian class analysis



#### III. Marxist class analysis

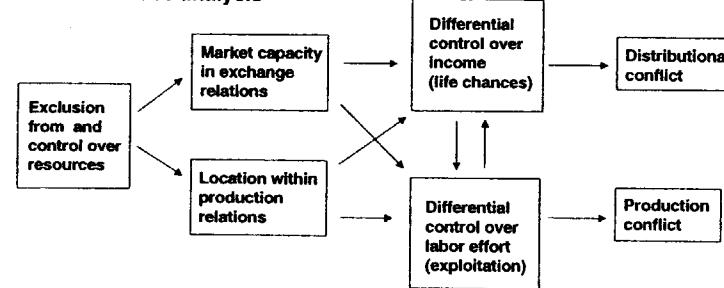


Figure 1.4 *Three models of class analysis.*

the authority structure of production. This reflects the way in which location within the relations of production and not simply within market relations affects the "life chances" of managers. Our analysis of the shmoo – and more broadly, the analysis of such things as the way transfer payments of the welfare state affect the market capacity of workers – illustrates how market capacity has an impact on the extraction of labor effort within production. The Marxist concept of class directs our attention both theoretically and empirically towards these interactions.

A Weberian might reply that there is nothing in the Weberian idea of market-based life chances that would prevent the analysis of the extraction of labor effort within production. A good and subtle Weberian class analyst could certainly link the analysis of market capacities within exchange relations to power relations within the labor process, and thus

explore the causal structures at the center of Marxist class analysis. In systematically joining production and exchange in this way, however, the Weberian concept would in effect become Marxianized. Frank Parkin (1979: 25), in a famous gibe, said "Inside every neo-Marxist there seems to be a Weberian struggling to get out." One could just as easily say that inside every left-wing Weberian there is a Marxist struggling to stay hidden.

There are a number of reasons why one might want to ground the concept of class explicitly in exploitation rather than simply market-based life chances. First, the exploitation-centered class concept affirms the fact that production and exchange are intrinsically linked, not merely contingently related. The material interests of capitalists and workers are inherently shaped by the interaction of these two facets of the social relations that bind them together. This provides us with the way of understanding the class location of managers as determined not simply by their position within the market for managerial labor power, but also by their position within the relations of domination in production. More broadly, the exploitation-based class concept points our attention to the fact that class relations are relations of power, not merely privilege.

Second, theorizing the interests linked to classes as grounded in inherently antagonistic and interdependent practices facilitates the analysis of social conflict. Explanations of conflict always require at least two elements: an account of the opposing interests at stake in the conflict and an account of the capacity of the actors to pursue those interests. A simple opposition of interests is not enough to explain active conflict between groups. Exploitation is a powerful concept precisely because it brings together an account of opposing interests with an account of the rudimentary capacity for resistance. Exploiters not only have a positive interest in limiting the life chances of the exploited, but also are dependent upon the exploited for the realization of their own interests. This dependency of the exploiter on the exploited gives the exploited an inherent capacity to resist. Exploitation, therefore, does not simply predict an opposition of interests, but a tendency for this antagonism of interests to generate manifest conflicts between classes. This understanding of the inherent power of exploited classes is marginalized when class is defined strictly in terms of market relations.

Third, the exploitation-centered concept of class provides the foundations for what can be termed an endogenous theory of politics and

ideology.<sup>8</sup> Exploitative relations are inherently unstable because of the way they meld intense conflict of interests – one group having positive interests in the deprivations of another – with deep interdependency – the exploiter needs the exploited. This implies a specific prediction: for relations of exploitation to be stably reproduced, there will be a tendency for social institutions to be developed which in one way or another neutralize or contain these conflicts. More specifically, it is predicted that there is a tendency for political institutions to emerge which coercively defend the interests of exploiters and ideological practices to emerge which evoke at least limited consent from the exploited. While this does not imply a smooth, functional correspondence of class relations and political and ideological institutions (as in the "base" and "superstructure" model of classical Marxism), it does suggest systematic endogenous pressures for such correspondence.

Finally, the exploitation-centered class analysis provides a rich menu of concepts for comparative historical analysis in which societies are analyzed in terms of the specific ways in which they vary in forms of exploitation and associated class structures. This generates the familiar typology of forms of society in the Marxist tradition: communalism, slavery, feudalism, capitalism. In classical Marxism these forms of society were seen as constituting the central stages within a broad theory of history. But even if one rejects the theoretical ambitions of historical materialism, this typology still constitutes a compelling menu for historical comparative analyses. Of course, this is not the only coherent conceptual typology of historical variations in forms of society. The Weberian typology of societies in terms of forms of legitimate authority is a notable alternative, and for some purposes it might be more useful than the class-centered typology. The class-centered typology, however, provides an especially rich agenda of research questions and analytical possibilities because of the ways in which it is so closely tied to problems of social conflict and the development of political and ideological institutions.

There is no metatheoretical rule of sociology which says that every sociologist must chose between these two ways of grounding class analysis. It certainly might be possible to construct an eclectic hybrid between Marxist and Weberian class analysis. Nevertheless, throughout this book I will interpret the class structure matrix we will be using

<sup>8</sup> "Endogenous" means that the theory in question is generated by elements that are *internal* to the system in question – in this case, class relations – rather than simply by external factors.

within a neo-Marxist class analysis framework. In the end, the decision to do this rather than adopt a more eclectic stance comes at least in part from political commitments, not simply dispassionate scientific principles. This does not mean that Marxist class analysis is pure ideology or that it is rigidly dictated by radical egalitarian values. My choice of analytical framework is also based on my beliefs in the theoretical coherence of this approach – which I have argued for in this chapter – and in its capacity to illuminate empirical problems – which I hope to demonstrate in the rest of this book. But this choice remains crucially bound up with commitments to the socialist tradition and its aspirations for an emancipatory, egalitarian alternative to capitalism.

Readers who are highly skeptical of the Marxist tradition for whatever reasons might feel that there is no point in struggling through the numbers and graphs in the rest of this book. If the conceptual justifications for the categories are unredeemably flawed, it might be thought, the empirical results generated with those categories will be worthless. This would be, I think, a mistake. The empirical categories themselves can be interpreted in a Weberian or hybrid manner. Indeed, as a practical set of operational categories, the class structure matrix used in this book does not dramatically differ from the class typology used by Goldthorpe (1980) and Erickson and Goldthorpe (1993). As is usually the case in sociology, the empirical categories of analysis are *underdetermined* by the theoretical frameworks within which they are generated or interpreted. This means that readers who are resolutely unconvinced about the virtues of understanding classes in terms of exploitation can still engage with the empirical analyses of this book as investigations of classes differentially situated with respect to life chances in the market.

## 1.6 The empirical agenda of the book

Broadly speaking, the empirical studies in this book explore three interconnected problems in class analysis: 1. Characteristics of and variations in class structure itself; 2. The relationship between class and gender as aspects of social structure; 3. The linkage between class structure and class consciousness.

### Class structure

The research in Part I concerns various problems in the analysis of class structure itself. Chapter 2 sets the stage for the rest of the book by

presenting basic descriptive data on the overall shape of the class structure in a number of advanced capitalist societies. Here we are not so much interested in testing specific hypotheses about cross-national variations than in carefully describing various aspects of these variations. As a result, in some ways this chapter may be less interesting theoretically than the empirical chapters which follow.

Chapter 3 examines changes in the distribution of people in the American class structure between 1960 and 1990 and decomposes these changes into a part that can be attributed to shifts in class distributions within economic sectors and a part to shifts in the distribution of people across economic sectors. The basic results are quite striking. The working class expanded slightly in the 1960s, but has declined at an accelerating pace since then, especially because of a decline in the working class within sectors. Supervisors increased significantly in the 1960s and modestly in the 1970s, but declined in the 1980s. In contrast, managers, experts and expert managers have all increased throughout this period. The petty bourgeoisie and small employer class categories declined both within and across sectors in the 1960s, but since then have had a more complex trajectory, leading in the 1980s to a quite significant expansion of the petty bourgeoisie and a nearly steady state for small employers. While our data do not allow us to test alternative explanations for these changes, I offer a tentative explanation in terms of the combination of technological change and the ramifications of long-term economic stagnation in an increasingly competitive international capitalist economic system.

Chapter 4 examines in much greater detail one of the trends in chapter 3, the initial decline and then steady expansion of self-employment. Two different strategies of data analysis are presented: first, a time series analysis of annual changes in the rate of self-employment in which we test whether or not changes in self-employment can be attributed to changes in the rate of unemployment; and second, an examination of the sectoral patterns of changes in self-employment in which we document that the upsurge in self-employment which began in the mid-1970s is a broad trend throughout the economy, not simply in the service sector.

Chapter 5 explores the degree of permeability of class boundaries in four countries, the United States, Canada, Norway and Sweden. Class structures vary not simply in the distribution of people into class locations, but in the extent to which the lives of people are narrowly confined to specific class locations or involve social contacts and experiences across class boundaries. In this chapter we explore three forms of